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SECURITIES AND EXCHANGE COMMISSION

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

SECURITIES AND EXCHANGE COMMISSION,  
  
Plaintiff,  
  
v.  
  
TRUECOIN LLC;  
and  
  
TRUSTTOKEN, INC.,  
  
Defendants.

Case No. \_\_\_\_\_

**[PROPOSED] FINAL JUDGMENT  
AS TO TRUECOIN LLC**

The Securities and Exchange Commission having filed a Complaint and Defendant TrueCoin LLC having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Sections 17(a)(2) and

[PROPOSED] FINAL JUDGMENT

1 17(a)(3) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)(2) and 15  
 2 U.S.C. § 77q(a)(3) ] in the offer or sale of any security by the use of any means or instruments  
 3 of transportation or communication in interstate commerce or by use of the mails, directly or  
 4 indirectly:

5 (a) to obtain money or property by means of any untrue statement of a material  
 6 fact or any omission of a material fact necessary in order to make the  
 7 statements made, in light of the circumstances under which they were made,  
 8 not misleading; or

9 (b) to engage in any transaction, practice, or course of business which operates or  
 10 would operate as a fraud or deceit upon the purchaser

11 by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or  
 12 (ii) disseminating false or misleading documents, materials, or information or making, either  
 13 orally or in writing, any false or misleading statement in any communication with any  
 14 investor or prospective investor, about:

15 (A) any investment in or offering of securities,

16 (B) the registration status of such offering of such securities,

17 (C) the prospects for success of any product or company,

18 (D) the use of investor funds, or

19 (E) the misappropriation of investor funds or investment proceeds.

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in  
 21 Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following  
 22 who receive actual notice of this Final Judgment by personal service or otherwise: (a)  
 23 Defendant’s officers, agents, servants, employees, and attorneys; and (b) other persons in  
 24 active concert or participation with Defendant or with anyone described in (a).

## 25 II.

26 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
 27 Defendant is permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the  
 28 Securities Act [15 U.S.C. § 77e(a) and 15 U.S.C. § 77e(c)] by, directly or indirectly, in the

1 absence of any applicable exemption:

- 2 (a) Unless a registration statement is in effect as to a security, making use of any  
 3 means or instruments of transportation or communication in interstate  
 4 commerce or of the mails to sell such security through the use or medium of  
 5 any prospectus or otherwise;
- 6 (b) Unless a registration statement is in effect as to a security, carrying or causing  
 7 to be carried through the mails or in interstate commerce, by any means or  
 8 instruments of transportation, any such security for the purpose of sale or for  
 9 delivery after sale; or
- 10 (c) Making use of any means or instruments of transportation or communication in  
 11 interstate commerce or of the mails to offer to sell or offer to buy through the  
 12 use or medium of any prospectus or otherwise any security, unless a  
 13 registration statement has been filed with the Commission as to such security,  
 14 or while the registration statement is the subject of a refusal order or stop order  
 15 or (prior to the effective date of the registration statement) any public  
 16 proceeding or examination under Section 8 of the Securities Act [15 U.S.C. §  
 17 77h].

18 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in  
 19 Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following  
 20 who receive actual notice of this Final Judgment by personal service or otherwise: (a)  
 21 Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in  
 22 active concert or participation with Defendant or with anyone described in (a).

### 23 III.

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that pursuant to  
 25 Section 21(d)(5) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §  
 26 78u(d)(5)] and Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)], Defendant is  
 27 permanently restrained and enjoined from, directly or indirectly, including, but not limited to,  
 28

1 through any entity owned or controlled by Defendant, participating in the issuance, purchase,  
2 offer, or sale of any securities.

3 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in  
4 Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following  
5 who receive actual notice of this Final Judgment by personal service or otherwise: (a)  
6 Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in  
7 active concert or participation with Defendant or with anyone described in (a).

8 IV.

9 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable  
10 for disgorgement of \$340,930, representing net profits gained as a result of the conduct  
11 alleged in the Complaint, together with prejudgment interest thereon in the amount of  
12 \$31,538. The Court finds that sending the disgorged funds to the United States Treasury, as  
13 ordered below, is consistent with equitable principles. The Court further imposes a civil  
14 penalty in the amount of \$163,766 pursuant to Section 20(d)(1) of the Securities Act [15  
15 U.S.C. § 77t(d)(1)]. Defendant shall satisfy these obligations pursuant to the terms of the  
16 payment schedule set forth in paragraph V below after entry of this Final Judgment.

17 Defendant may transmit payment electronically to the Commission, which will  
18 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made  
19 directly from a bank account via Pay.gov through the SEC website at  
20 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank  
21 cashier's check, or United States postal money order payable to the Securities and Exchange  
22 Commission, which shall be delivered or mailed to

23 Enterprise Services Center

24 Accounts Receivable Branch

25 6500 South MacArthur Boulevard

26 Oklahoma City, OK 73169

27 and shall be accompanied by a letter identifying the case title, civil action number, and name  
28 of this Court; TrueCoin LLC as a defendant in this action; and specifying that payment is

1 made pursuant to this Final Judgment.

2 Defendant shall simultaneously transmit photocopies of evidence of payment and case  
3 identifying information to the Commission's counsel in this action. By making this payment,  
4 Defendant relinquishes all legal and equitable right, title, and interest in such funds and no  
5 part of the funds shall be returned to Defendant. The Commission shall send the funds paid  
6 pursuant to this Final Judgment to the United States Treasury.

7 The Commission may enforce the Court's judgment for disgorgement and  
8 prejudgment interest by using all collection procedures authorized by law, including, but not  
9 limited to, moving for civil contempt at any time after 30 days following entry of this Final  
10 Judgment. The Commission may enforce the Court's judgment for penalties by the use of all  
11 collection procedures authorized by law, including the Federal Debt Collection Procedures  
12 Act, 28 U.S.C. § 3001 *et seq.*, and moving for civil contempt for the violation of any Court  
13 orders issued in this action.

14 V.

15 TrueCoin LLC shall pay the total of disgorgement, prejudgment interest, and penalty  
16 due of \$536,234 in three installments to the Commission according to the following schedule:  
17 (1) \$178,745, within 30 days of entry of this Final Judgment; (2) \$178,745, within 60 days of  
18 entry of this Final Judgment, and (3) \$178,744, within 120 days of entry of this Final  
19 Judgment. Payments shall be deemed made on the date they are received by the Commission.  
20 Prior to making the final payment set forth herein, TrueCoin LLC shall contact the staff of the  
21 Commission for the amount due for the final payment.

22 If TrueCoin LLC fails to make any payment by the date agreed and/or in the  
23 amount agreed according to the schedule set forth above, all outstanding payments under this  
24 Final Judgment, minus any payments made, shall become due and payable immediately at the  
25 discretion of the staff of the Commission without further application to the Court.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated: \_\_\_\_\_

\_\_\_\_\_  
United States District Judge